Chapter 1
Introduction

1.1 Your Job as an EERE Program Manager

Running a program is a lot like operating a business.

As an EERE program manager, you run a business. This business contributes to the overall success of the EERE and DOE missions in support of the National Energy Policy. That's like having responsibility and accountability for a division of a large corporation. Your business is ongoing; it has no clearly definable point of completion or finish. Therefore, your activities most likely involve pursuing continuous improvements in one or more specific technology and/or market areas.

You have customers and others who have a stake in the outcome.

You need to build and sustain your business and run it effectively and efficiently. The purpose of any business is to meet stakeholders' needs. In your case, the primary stakeholder is the American public, which needs clean and affordable energy. Other stakeholders include the various legitimate agents for the public, such as Congress, special interest groups, industries that manufacture energy-efficient products and industries that use them, environmental groups, and academic and scientific institutions.

EERE program managers have responsibility for the bottom line.

Your position in EERE may be that of program manager, team leader, member of a program management team or provider of functional support. In any of these roles, you will guide or help guide program strategies and contribute to results.

You have an ongoing mission, an overriding purpose for your program and perhaps a vision of where you want to be in the future. You also need a strategy and plans with long-term goals and objectives.

Just like any business, it is important to have an explicit mission (a definitive statement of what you are in business for) and a vision (an image of an ideal future state, say ten or more years into the future). To achieve your vision, you need to define and work toward short- and long-term goals and objectives. Your goals and objectives need to address satisfying the needs of customers and other stakeholders (the ends) and developing or increasing operational capacity (the means). You also need resources to operate the business. This means you have to market and sell your products or services to obtain the financial support to acquire the necessary resources.

You need to compete for resources and also cooperate.

In EERE's environment, your business is called a program; it is a discrete element of the EERE mission. Your resources are acquired through the budget process, a specialized mechanism for marketing and promoting your program. In the budget process, your program competes with many others for scarce resources, just like companies compete in the marketplace for the consumers' dollar. It is therefore imperative that you have a viable program strategy with well-defined plans geared toward yielding valuable benefits to the stakeholders. That is, you need to show the stakeholders a return for the funds they are investing with you or spending on your products and services. You must show results.

Selling your program is essential.

You need to plan what work needs to be done and how you can do it.

Obtaining funds is necessary but not sufficient to ensure that your business succeeds. You must also optimize the funds by allocating across various funding mechanisms, which involves obtaining the most beneficial mix of activities and goods and services. These funding mechanisms include contracts, grants, field work authorizations, financial incentives, and partnerships. In addition, there are a number of high leverage business-like arrangements that you should also consider. Among these are public policies, market interventions, consensus standards, public service promotions and cooperative ventures with business, academia or other Government entities. Partnerships with commercial manufacturers that produce advanced, energy-efficient technologies and with companies that use the technologies such as electric power companies are important for achieving improvements in energy efficiency. The details of these mechanisms will be provided later in this guide.

You need to keep your program on track; Know the status of your program.

Finally, you need to keep your eye on things and make sure your plans are being carried out. Periodically, as changes occur, you need to step back and review your goals and objectives to ensure they are correct and still on course.
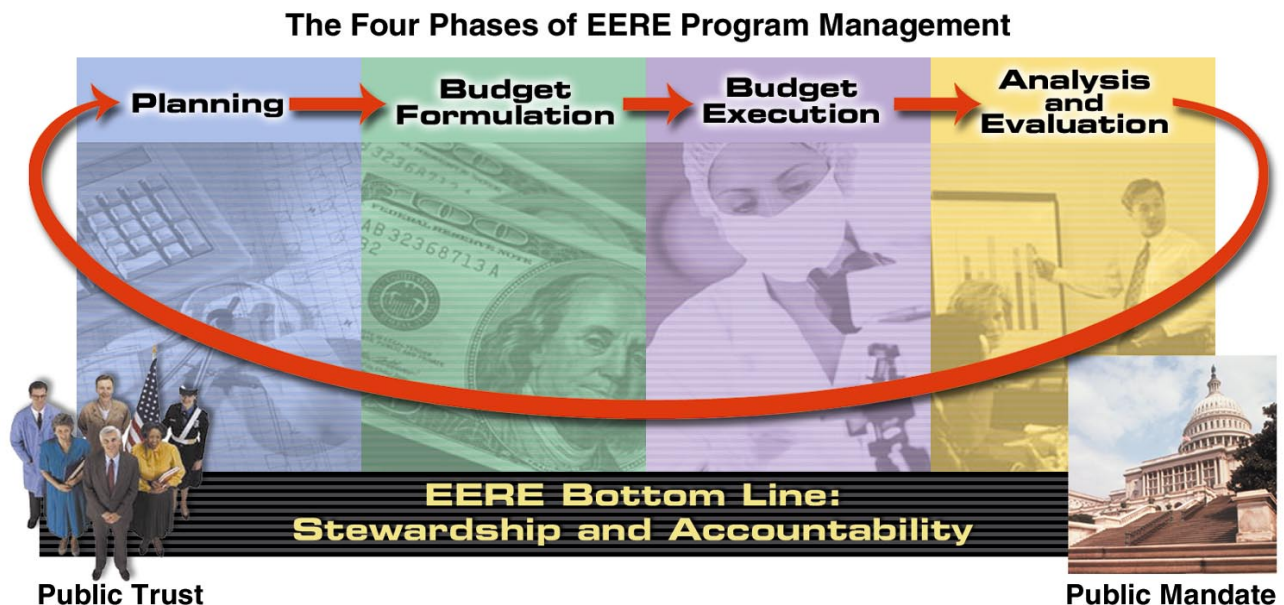
In sum, you need to do planning, budget formulation, budget execution, and analysis and evaluation.

We have just described the four phases of program management: Planning, Budget Formulation, Budget Execution, and Analysis and Evaluation. To manage a program successfully, you must plan it, budget for it, implement your plans (including timely execution of the budget), and oversee the program to ensure it stays on track. In doing so, you have to integrate the programmatic functions that plan, conduct and evaluate the actual work with business activities that are necessary to get the work assigned, conducted and paid for.

You have a lot of business-like functions and activities to do.

The buck stops at your desk.

You have been entrusted with a serious responsibility to always act in the best interest of the American public. You are a steward of substantial public funds. In addition to the guidance and instructions contained herein, the bottom line is that you are accountable for the success of your program in all aspects.

The Four Phases of EERE Program Management

Planning → Budget Formulation → Budget Execution → Analysis and Evaluation

EERE Bottom Line: Stewardship and Accountability

Public Trust

Public Mandate

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1.2 Need for a Program Management "Operator's Guide"

Program management is complex and difficult. It requires knowledge and discipline as well as a broad range of concepts, processes and tools to be carried out effectively and efficiently. In the EERE environment, many program managers (PMs) bring to the job an educational background and work experience that is focused on science and technology. To complement that background they need:

PMs need to know what to do, how to do it, and why it needs to be done.

1. An appreciation of program management — a "know why"

2. An understanding of what needs to be done — a "know what"

3. An ability to select and use appropriate methods and tools — a "know how."

Additionally, program managers should see their program's accomplishments in the context of a greater good, benefiting customers and stakeholders. They should feel pride in knowing that they are contributing to higher-level missions. This important piece is the "care why."

User instructions help make EERE's program management processes and tools easier.

This Guide is aimed at increasing the program manager's know why, know what, know how, and care why. From an organizational point of view, EERE recognizes a need to aggregate individual program plans and results toward accomplishing the EERE and DOE missions. This need drives some standardization in program management approaches including the specific elements of Planning, Budget Formulation, Budget Execution and Analysis and Evaluation. To the extent that EERE programs speak the same (program management) language, the missions can be as effectively managed as the individual programs.

The EERE Strategic Management System (SMS) provides a needed standard approach.

EERE has developed the EERE Strategic Management System (SMS) to this end. It provides a degree of standardization in approach, language and timing, as well as tools for the individual program manager, so that the program plans and results can be rolled up across the organization. This Guide will help explain how that is done.

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1.3 About the Program Management Guide

1.3.1 What the Guide Contains

This guide has been developed to help you lead and manage your program. It will help you understand the larger organizational context or "system" that you are working in, so that, as you conduct your program management activities, your decisions and actions will contribute to higher-level purposes, goals and objectives. That is, your work will "fit in." The guide will also provide information on the processes within that system that you will use to manage your program in a structured and disciplined way— knowing what to do, when to do it and how to do it. Additionally, it will provide you with detailed instructions for using a variety of tools designed to make your job easier and to increase your program management effectiveness.

It also covers how we do things in EERE.

Using this guide as a reference will increase your knowledge of your job and the internal and external environments in which it is carried out. Peter Block, in his best selling book, *Stewardship*, says that all employees should have a CEO's business literacy. If you have the CEO's understanding and perspective on how the business runs, you will be more confident about your work and more proactive and effective in managing your program. This guide should help you see that larger picture.

You will become "CEO literate."

1.3.2 Relationship Between the Guide and the EERE Program Management Initiative (PMI)

EERE's Program Management improvements:

- *Strategic Management System*
- *Explicit Performance Expectations*
- *PM Self Assessment*
- *Training*
- *

Management has a responsibility to manage and continuously improve the system so that the work is performed more efficiently and economically, producing higher quality results. In reality, everyone plays a role in getting the work done <u>and</u> improving the system. Recognizing its responsibility for improving the system, EERE is committed to achieving program management excellence and to setting an example for other governmental organizations to follow. In doing so, EERE is pursuing a series of system improvements. Primary among these is the installation of the EERE Strategic Management System, which provides a coherent framework for managing EERE's program portfolio from the program level up through the executive level. EERE is developing a standard set of knowledge and skill requirements for program management. These requirements will be incorporated into job descriptions and individual performance plans. To ensure that

Appendix F-3 includes a list of essential program management knowledge, skills and abilities for use as a self-assessment questionnaire. You should visit this list periodically, perhaps annually, to assess your prowess in areas important to your job or career and prioritize areas requiring further development. You and your supervisor can use it to prepare your annual Individual Development Plan (IDP).

EERE program managers have the necessary skills, a program management self-assessment questionnaire has been developed. Completing the questionnaire allows each individual to gauge his/her prowess in program management and conduct career development planning. Feedback from these questionnaires provides input for the planning and developing of targeted and tailored training to meet individual needs. As an underpinning for the program management initiative, EERE has adopted Performance-Based Management— a technique that establishes performance requirements at all levels that link together. Performance requirements consist of objectives, measures and standards that define the "what" to be performed without unduly constraining the performer with the "how to's".

Figure 1.3.1, Program Management Initiative Architecture is a visual overview of the Initiative. The Guide contains the fundamental information for PMs and serves as a building block for carrying out the PM Initiative.

The architecture is shown in the attached chart. Note: this is a large file and may take a long time to download.